

# Baltimore City Office of the Inspector General



**2021**  
**ANNUAL REPORT**

# Table of Contents

03

Message from the Inspector General

04

Mission

05

Principles and Standards

06

OIG Organization

08

Board of Ethics

10

Return on Investment

11

Budget History

12

2021 Highlights

14

Filing A Complaint

15

Case Summaries





# MESSAGE

## from the Inspector General

The unprecedented global disruption caused by the pandemic impacted all of us. The crisis forced the Office of the Inspector General (OIG) to adapt to keep our employees safe and continue the OIG's mission. With thanks to my talented and hardworking team, I am pleased to present the Fiscal Year 2021 Annual Report. The OIG was busy and productive during FY 2021. City employees and citizens made over 700 calls to the OIG Hotline and the Investigations team delivered 36 reports. The Ethics team, in its first year within the OIG, fielded over 1,400 requests related to ethics guidance and received just under 3,000 financial disclosure statements through a new online site viewable by the public. Ethics training was overhauled, and many new outreach materials were delivered to City officials and employees. Strengthening and implementing the existing Whistleblower law remains a core focus for the upcoming year. Teamwork with other government and law enforcement agencies continues to play an important role in the OIG's effectiveness.

The OIG's joint investigation with the Baltimore County Inspector General's Office regarding water billing was a historic partnership. We also appreciate our partnerships with the Maryland Inspector General for Education, the US Attorney's Office for the District of Maryland, the Federal Bureau of Investigation, the US Department of Labor, the Office of the State Prosecutor, and many more Baltimore agencies.

As the Inspector General, I would like to reflect on the progress over the past three years. Symbolized by the picture on front, the OIG managed to shine light on many issues. The OIG completed over 100 reports and identified more than \$11 million in savings or waste. In all its activities, this office has remained steadfast to the professional standards established by the Association of Inspectors General (AIG), including independence, highly qualified staff, confidentiality, evidence-based investigations, and effective reporting. Maintaining these standards and demonstrating best practices for the City of Baltimore remains the cornerstone of our mission and fosters the trust of City citizens and employees.

The OIG is proud to announce it will receive its first Peer Review by the AIG in the upcoming year. The OIG continues to work diligently to earn the title of the "People's Investigator." This year alone, the OIG has issued thirty-six reports and documented \$7 million in savings or waste. I pledge that the OIG will continue to work tirelessly to improve the Baltimore we share by providing residents and employees with an efficient and effective mechanism for reporting financial fraud, waste, and abuse.

With gratitude,

*Isabel Mercedes Cumming*  
Isabel Mercedes Cumming

# MISSION

***The mission of the Office of Inspector General (OIG) is to promote accountability, efficiency, and integrity in City government by identifying financial waste, fraud, and abuse. This, in turn, promotes public trust in City government. Citizens have the right to expect effective and honest City leadership-virtues that are best fostered when the government polices itself and initiates improvements in operational efficiency. The OIG contributes to these objectives through impartial and independent investigations.***

## THE OIG INVESTIGATIVE PRINCIPLE

The only question to answer is: what does the evidence show? It may lead down a road you will not want to go down or it will lead exactly where you thought it would. It may not lead anywhere. Do not ever give up looking for evidence, but do not create it either. Wherever the evidence leads is the path we take. We pursue the truth with an objective mind, without prejudice, and regardless of politics.

*"Inspectors General with no independence or authority result in the mere appearance of oversight, which is much worse than no oversight at all"*

Stephen B. Street, Jr., President  
Association of Inspectors General

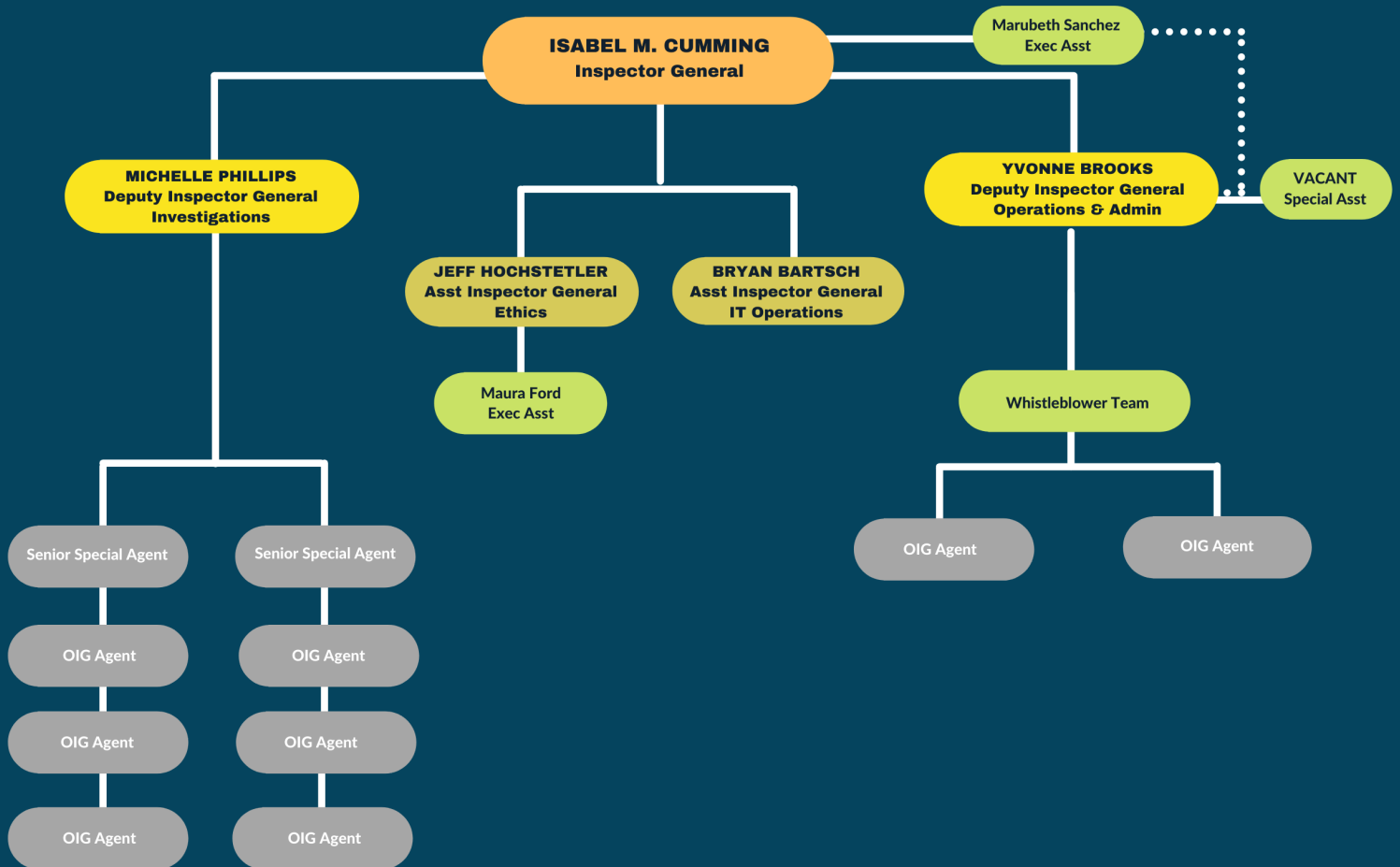
## Principles and Standards

The OIG has adopted the Principles and Standards for an Office of Inspector General—also known as the Green Book—established by the Association of Inspectors General (AIG). The AIG, organized on October 26, 1996, is a national, non-profit membership organization for agencies and professionals in the inspector general community. The AIG promotes excellence in the inspector general community by establishing and encouraging adherence to office-wide and discipline-specific quality standards.

The AIG fosters and promotes public accountability and integrity through policy research and analysis in the general areas of fraud, waste, and abuse—including prevention, examination, investigation, detection, elimination, and prosecution. It promotes professionalism through standardized practices, policies, and ethics and encourages professional development through educational resources and qualification, certification, and licensing programs.

The OIG has applied for Peer Review by the AIG, scheduled for next year. A Peer Review is a voluntary process where the agency requesting the review opens itself up to a thorough examination of its policies and procedures, processes, documentation, workflow, and community impact. The goal of the Peer Review is not just to assess how well an OIG is functioning but to assess how well its organizational processes and activities work toward maximizing operational efficiency and adherence to established quality standards.

# OIG ORGANIZATION



## OUR TEAM

The Inspector General is supported by her Executive Team, consisting of two Deputy Inspectors General and two Assistant Inspectors General. As more responsibility has been placed on the OIG, the Office has expanded its staff in response, adding three more to its ranks for a total of 17. The diverse staff of Special Agents are integral to the OIG's mission. Their distinctive backgrounds add perspective and depth to each investigation. Many of them possess professional certifications including Certified Fraud Examiner (CFE) and Certified Inspector General Investigator (CIGI).

# AGENCY OVERVIEW

## INVESTIGATIONS

The Investigations Division conducted investigations into a broad range of alleged misconduct, including fraud, bribery, theft, extortion, public corruption, waste of public assets, mismanagement, self-dealing and nepotism. Although OIG is an investigatory agency, the office does not carry law enforcement accreditation and thus has no power of arrest. While most of the OIG investigations are administrative in nature, OIG does conduct criminal investigations with our law enforcement partners when appropriate. In FY2021, the Investigations Division conducted a joint investigation with the Baltimore County Inspector General's Office that resulted in a joint report identifying millions of dollars in waste related to the City/County water system.

Deputy Inspector General Michelle Phillips is charged with leading the Investigations Unit and directing criminal and administrative investigations of fraud, waste, abuse, and misconduct related to City programs, operations, and employees. She coordinates with City prosecutors and other law enforcement authorities to leverage resources and fraud-fighting efforts.

## WHISTLEBLOWER

The Whistleblower Rights and Responsibilities Act went into effect on March 15, 2020. The law prohibits supervisors from taking retaliatory personnel actions against City employees who make "covered disclosures" related to fraud, gross misuse or waste of public resources, violations of law, or substantial and specific threats to health, safety, or security. The law also requires the OIG to adopt rules and regulations to carry out the law and assist the Department of Human Resources in training employees and supervisors about the law. The OIG Whistleblower team accepted five cases for investigation in FY2021. As of July 2021, amendments to clarify and simplify the Whistleblower Statute are before the City Council.

Deputy Inspector General Yvonne Brooks assists the IG in overseeing OIG office operations. She serves as the OIG's financial officer and human resources coordinator. She also handles the office's procurement needs, provides staff training, and develops office policies and procedures. Yvonne also oversees the OIG's Whistleblower responsibilities.

## ETHICS

The City Council voted in April 2020 for Baltimore's Inspector General to become the Director of the Ethics Board, effective October 10, 2020. The IG has assigned staff to assist the Board—the first time in the Board's history it has enjoyed a full-time staff. They are committed to carrying out the Board's important functions, including investigating ethics complaints, promoting awareness of the Ethics Law, and answering all ethics-related questions from City officials, employees, and citizens.

Assistant Inspector General Jeffrey Hochstetler recently joined the OIG team and serves as the Inspector General's designee for the Director of the Ethics Board. He assists the Ethics Board in performing its responsibilities and oversees the OIG's Ethics Program.

## OPERATIONS

Assistant Inspector General Bryan Bartsch oversees and directs the day-to-day activities of the office's information technology (IT), ensuring that systems, services, and infrastructure work reliably and securely. He also gathers and analyzes relevant data in support of investigations.

## HIGHLIGHTS

### Complaints

- ✓ New online complaint form
- ✓ 17 complaints: 8 investigated, addressed, and closed; 7 no jurisdiction; 2 pending

### Training

- ✓ 10 training reviews
- ✓ 356 attendees, including all newly-elected officials

### Guidance

- ✓ 234 requests for substantive ethics advice
- ✓ 5 published formal advisory opinions
- ✓ 1,101 questions about financial disclosures
- ✓ 174 other questions about lobbying, gift solicitation waivers, training, and forms

### New Employee Orientation

- ✓ Video introduction to the Ethics Law and Ethics Board
- ✓ Downloadable Notice of Ethics Requirements

### Notice of Ethics Requirements

An electronic pamphlet outlining the ethics requirements for City officials and employees was distributed to Baltimore City boards, commissions, and agencies to be incorporated into the onboarding process.

# Financial Disclosures

With Baltimore City Information Technology, the Ethics Board deployed a new online system for filing financial disclosure statements and published instructions and tutorial videos for filers.



- ✓ 2,800+ public servants filed in 2021, including hundreds of newly identified individuals
- ✓ All elected officials filed by January 30 deadline

## Charitable/Governmental Solicitation Campaigns

The Ethics Law prohibits City officials and employees from soliciting or accepting donations from certain people and entities. The Ethics Board may grant a solicitation waiver for certain charitable/governmental programs.

- ✓ 23 campaigns closed with final reports
- ✓ 11 new campaigns approved
- ✓ 11 active campaigns

## Lobbying

- ✓ 150 annual lobbying activity reports filed in 2020
- ✓ 142 registered lobbyists

## Ethics Board Website

Revamped Ethics Board website, including:

- ✓ Summaries of the Ethics Law and ethics requirements
- ✓ Online complaint form and overview of complaint process
- ✓ Select public complaint summaries
- ✓ Updated forms and training registration
- ✓ Ethics Board member and staff bios
- ✓ Gift acceptance quiz

# RETURN ON INVESTMENT

OIG serves a city with a workforce of more than 12,000 employees and is home to nearly 600,000 residents. Most of the OIG budget is dedicated to salaries and training. OIG investigations require competent investigators. All investigators are required to obtain their Certified Inspector General Investigator certification as well as Certified Fraud Examiner certification within three years. With over 700 hotline calls and each agent carrying between three to five active cases, the challenge of addressing all investigations in a timely manner remains. The remaining portion of the budget is dedicated to operating costs including case management software, computer hardware maintenance, and three fleet vehicles. In an ongoing effort to remain good financial stewards of citizens' hard-earned tax dollars, we source all of our furniture needs from the City and State Department of General Services' surplus supply of used items, and design our Annual Reports in-house. For FY2021, we spent \$2,276,791.00 supporting 17 employees in furtherance of the OIG's mission.



**What is the cost for each resident of Baltimore City in relation to our budget? **\$3.89** per person (OIG FY21 Budget \$2,276,791.00 divided by the population of Baltimore City 585,708)! Basically, the same cost as a six ounce can of Old Bay!**

# BUDGET HISTORY

2018	2019	2020	2021
»	»	»	»
\$916,950 10 Positions	\$1,171,100 10 Positions	\$1,660,420 13 Positions	\$1,808,349 (adopted budget) 14 Positions

The OIG's increasing budget each Fiscal Year directly corresponds with its increasing responsibilities. FY2018 through FY2020 reflect actual costs.

The OIG filled three positions near the beginning of FY2021 due to assuming responsibility for the Ethics Board and the Whistleblower program, increasing the adopted budget to \$2,276,791.00 to cover a total of 17 positions.

The OIG maintains a pending investigation list of 47 cases.

# 2021 HIGHLIGHTS

# \$7,051,000

Amount of annual waste and savings identified

# 705

Hotline complaints

# 36

Reports issued

# 27

Outreach Activities

The OIG measures its performance by tracking specific data that reflect effectiveness, output, and outcome during the City's fiscal year. Identifying waste and savings encourages better fiscal management through new legislation and/or updated policies and procedures. Our Hotline numbers show us how effective we have been by promoting awareness of what this office does for the City of Baltimore. OIG investigations can take anywhere from one month to more than a year to complete. This data reflects all investigations that are closed, resulting in a final Report of Investigation or Management Alert. We engage in outreach activities such as presenting OIG information during employee orientations and training, as well as meet with Community Leaders. The more employees, citizens, and taxpayers are aware of what we do, the more eyes and ears we have on the ground.

# PREVIOUS YEARS

## 2020

**\$2,986,929 Identified Savings or Waste**  
**751 Hotline Complaints**  
**47 Reports Issued**  
**31 Outreach Activities**

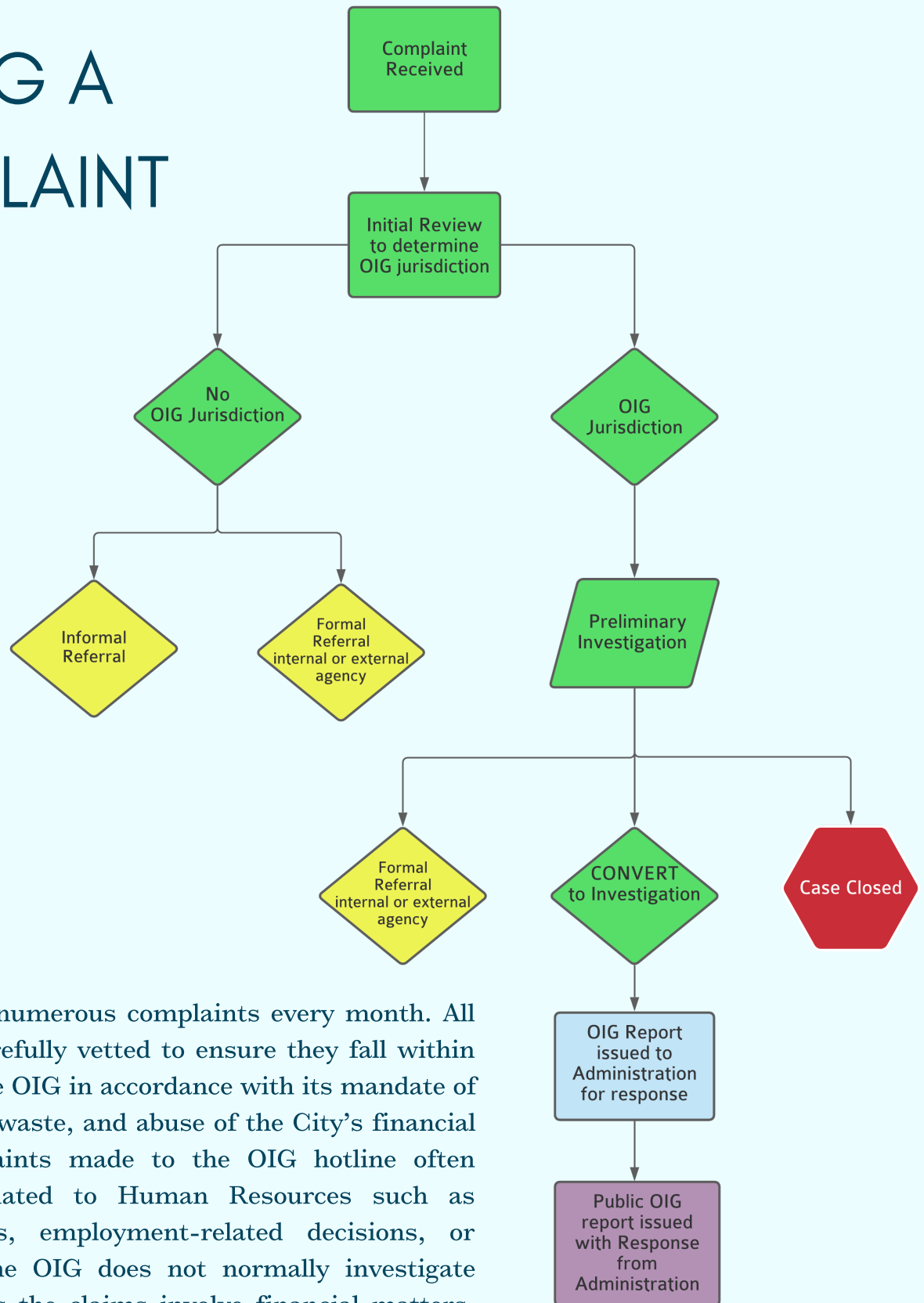
## 2019

**\$1,405,690 Identified Savings or Waste**  
**380 Hotline Complaints**  
**27 Reports Issued**  
**26 Outreach Activities**

## 2018

**\$240,000 Identified Savings or Waste**  
**186 Hotline Complaints**  
**8 Reports Issued**  
**8 Outreach Activities**

# FILING A COMPLAINT



The OIG receives numerous complaints every month. All complaints are carefully vetted to ensure they fall within the authority of the OIG in accordance with its mandate of rooting out fraud, waste, and abuse of the City’s financial resources. Complaints made to the OIG hotline often involve issues related to Human Resources such as personnel matters, employment-related decisions, or discrimination. The OIG does not normally investigate such claims unless the claims involve financial matters. However, every attempt will be made to assist a complainant by answering their questions and/or referring them to the proper agency.

# INVESTIGATIONS REVIEW

## Tow Woes

A towing company overbilled the City by more than \$129,000 between 2014 and 2019 for towing services that had not been agreed to in its contract and by charging prices to the City that were not included in the company's bid price sheet. This company overcharged the City after a series of verbal agreements made with Department of General Services (DGS) employees, an express violation of contractual terms. Those charges were then approved by a high-level employee at DGS, who told the OIG that they believed the billing practices were in accordance with the contract because the company "practiced integrity." That employee was terminated, and DGS engaged in training programs and reconfigurations of reporting structures in response to the OIG's investigation.

## Cleaning out My Closet

The OIG received a complaint that an employee at the Department of Transportation had used a DOT facility to store personal items like living room furniture, desks, and workout equipment. This was a violation of Occupational Safety and Health Administration (OSHA) regulations. The OIG's investigation revealed that this employee was using the DOT facility to store furniture obtained and eventually resold online as part of the employee's personal hauling business. However, the OIG found some City property in "his" facility that DOT employees had failed to properly dispose. The employee and their supervisor were both disciplined by DOT, and DOT employees who remained on staff were issued more explicit procedures for disposing of surplus property.



## Cease the Lease

The CEO of two successive management companies held master lease agreements (MLA) with the City since 2003. After the former Mayor pled guilty to four counts of conspiracy and tax evasion in February 2020, the Department of Justice's sentencing memorandum identified the CEO as having paid \$170,000 to the former Mayor between January 2016 and October 2016. The memorandum indicated that the CEO had admitted that these payments violated campaign contribution limits and appeared to have been made with the intent of obtaining the Mayor's favor. Suspicion was raised when the CEO and the Mayor began to privately discuss terms for a new MLA between the CEO's company and the City. The CEO's company won the contract, but its final terms were still being negotiated when the OIG began its investigation. The Board of Estimates in turn rejected plans to award the MLA to the CEO's company and terminated any other existing contracts held between the CEO and the City.

## Up, Up, and Away

A Baltimore Police Department (BPD) officer got the city to cover expenses for three surgeries, physical therapy, numerous medical appointments, and several months of accident/medical leave—all totaling more than \$332,000—stemming from ten separate worker's compensation claims between 2007 and 2019. An anonymous tipster disclosed to the OIG this same officer spent parts of 2017 and 2018 skydiving in South Carolina and Florida and, while there, signed medical waivers indicating they had no back injuries or orthopedic problems. The OIG soon learned this officer had a pattern of abusing BPD medical leave, including 44 sick days in 2018 and several instances in which the officer was out of town while on sick leave, a violation of BPD's sick leave policy. BPD soon after implemented a series of organizational changes to fortify departmental management policies pertaining to personnel on medical leave and sick duty status.



## A Banner Year

A failure by the Baltimore Office of Promotion and the Arts (BOPA) to oversee its vertical banner program may have cost the City nearly \$450,000. BOPA had contracted with two organizations to hang banners on City-owned light poles during various time intervals—both of which were set to end in February 2020. But both organizations' banners were still up the following month when the COVID-19 pandemic hit in March 2020, and they remained up until September 2020, potentially costing the City a significant amount of lost revenue. The OIG's investigation also found that BOPA maintains a significantly higher per-pole rate for banners than the Department of Transportation, and that differing rates for different entities creates a potential First Amendment issue. The two departments pledged to work with the City Administrator's Office to review their disparate fee structures.

## Return Visit

The Deputy Comptroller worked for the City of Baltimore for 23 years. When the Deputy retired on March 31, 2020, she was unable to clean out her office in City Hall and collect her personal belongings due to adjusted protocols created for the COVID-19 pandemic. The Deputy eventually gained access to City Hall in August 2020, and, during this visit to the Office of the Comptroller (OTC), disposed of several documents by shredding them with an electronic shredder.

There was a concern not only that the shredding violated City record retention policies, but also that certain documents should not have been shredded because they may have pertained to the active investigation of the OTC by the U.S. Department of Labor. Although that turned out to not be the case, the OIG investigation did reveal the following problems with the way the Deputy's post-retirement visit to City Hall was handled: BPD officers failed to properly vet the Deputy upon her arrival; an OTC employee failed to properly supervise the Deputy during her visit; and the OTC failed to properly advise the Deputy of the City's new record retention policies. The former Comptroller agreed to reeducate her office on best practices concerning record retention.

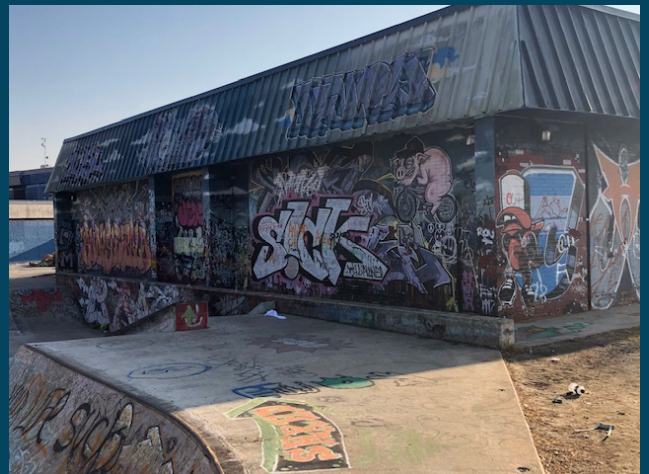
## School Daze

The OIG investigated a complaint alleging potential mismanagement regarding the use and pending lease of the former Samuel F.B. Morse Elementary/Middle School building. Specifically, the complaint concerned the impending eviction of a nonprofit entity that occupied the building and cited concerns of a lack of oversight by the Department of General Services (DGS) and Comptroller's Office of Real Estate (CORE) in securing lease agreements with that nonprofit and another that occupied the building.

Both nonprofits had signed Rights of Entry agreements with the City that required the nonprofits to be responsible for operational upkeep of the building in exchange for \$1 payments in annual rent. However, DGS never requested the rent and instead incurred all the operational costs associated with the Morse building during that time—and neither DGS nor CORE had secured lease agreements with either of the nonprofits. The failed leasing efforts ended up costing the City up to \$127,890 in potential lost revenue, and the City incurred operational expenses of \$745,979 out of pocket. DGS expressed a commitment to working with CORE toward finding the most cost-effective way to lease the building and manage tenants who are performing services for residents.

## The Telephone Game

In November 2019, the OIG received a complaint alleging irregular billing practices by the Department of Communications Services, Municipal Telephone Exchange (MTE). Among those practices was MTE's billing of the City for Voice Over Internet Protocol (VOIP) lines that were never actually activated, as well as MTE's continued commitment to higher rates despite a new contract that offered a lower cost for service. The former cost the City \$108,451.80; the latter, \$233,694.27. When the OIG brought these charges to MTE's attention, the MTE said the higher rates helped offset the debt from the loan that paid for the VOIP lines. The MTE followed the OIG's report by hiring a new fiscal officer, updating its telephone work order system with an automated service, enacting random audits of agency telephone bills, and holding training sessions for billing analysis and optimization.



## A Stroll in the Park Funding

Concerns raised by Southwest Baltimore residents about the lack of maintenance and improvements at Carroll Park resulted in an OIG finding that only \$46,866 of the allocated \$85,295 had been spent on park maintenance. The OIG's investigation also revealed that nearly one third of all park-related maintenance requests to 311 remained open, and that Carroll Park's master plan was outdated by four years. The Baltimore City Department of Recreation & Parks disputed the OIG's findings of funding misuse and noted the issues with outstanding maintenance requests were a result of City crews operating at half capacity due to the COVID-19 pandemic. The department acknowledged it is working toward a five-year strategic plan for all City parks that would replace the outdated and individualized master plan model.

## Meter Meter Money Eater

Working together with the Baltimore County Office of the Inspector General, the OIG revealed there were digital water meters across the City and County that were not fully functional. This occurred even though the City and County have together awarded over \$133 million in contracts since 2011 for the express purpose of enhancing the region's water systems. The OIGs determined issues in communication between the City and the County, an absence of uniformity in the systems used by the two jurisdictions, and a general lack of accountability resulted in the loss of millions of dollars for the City, County, and their taxpayers. Following the report, the City and County committed to strengthening communication and to an independent study that would be used to inform jurisdictional leadership on a broad range of operational issues.



## Rocky Real Estate

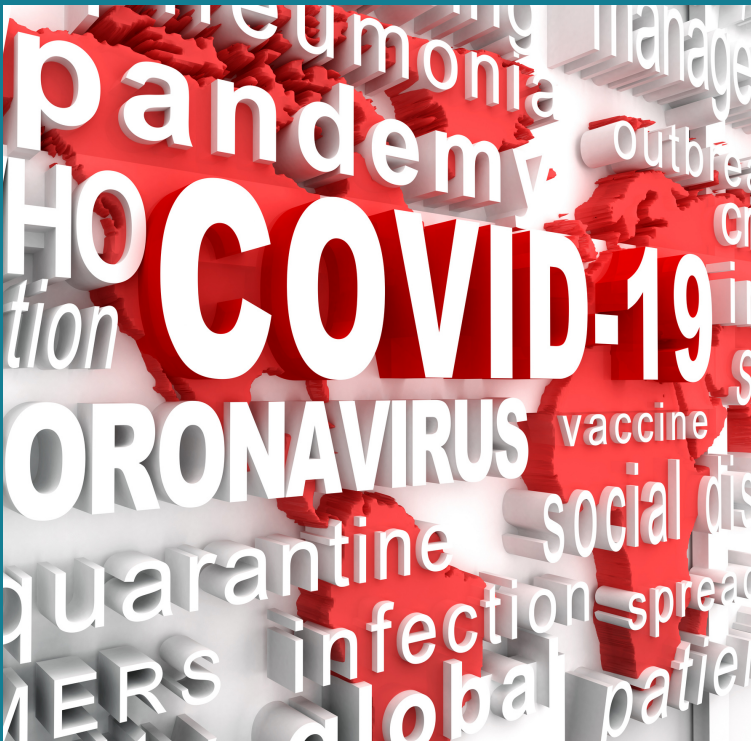
The OIG received a complaint alleging that the Department of Housing and Community Development (DHCD) withheld properties from the city's public tax sale at the request of a non-profit community organization (NCO). The complaint also alleged that private developers would pay the NCO to acquire City-owned tax sale certificates from DHCD's separate bulk tax sale, including those that were withheld from the public sale at the NCO's request. The OIG was able to confirm these allegations, finding a program where developers completed an application the NCO would use to evaluate and verify the developer's finances and experience, then use those applications to purchase tax sale certificates. The NCO charged applicants a fee and requested developers to pay a percentage of their profit from the successful acquisition and renovation of properties.

In March 2020, the Comptroller's Office of Real Estate requested the NCO to discontinue its tax sale vetting program as it was not authorized by the City. In response, the DHCD drafted an official Memorandum of Understanding (MOU) with the NCO that, among other things, proposed the Office of Real Estate would prioritize the assignment of tax lien certificates to the NCO when they became available. The OIG determined the proposed MOU would provide the NCO with a perceived unfair advantage over other developers and other community organizations interested in doing business with the City through the tax sale, and the Mayor's Office agreed. In turn, DHCD pledged to evaluate ways to more broadly and transparently work with community organizations to pursue tax sale certificates and foreclosures on vacant lots and properties as a key development tool.

## Viral Load

During an ongoing investigation into a Baltimore City Health Department (BCHD) contract, the OIG learned a vendor sent a request to BCHD to increase the rates it charges for City services by four percent. The contractor claimed it needed to charge the higher rates because of a decrease in its customers and an increase in the company's costs due to the COVID-19 pandemic. The OIG found this request came despite clear language in the company's contract that prohibited any rate increases during the initial five-year contract term, which is set to expire in June 2023.

Upon investigating and finding the vendor's request violated its contract, the OIG immediately issued a report. The Mayor's Office concurred with the OIG's findings and rejected the vendor's rate increase request, saving the City more than \$637,322. After releasing the report, the OIG learned that prior to the vendor's rate increase request to the City, the vendor received approximately \$1 million from the federal Paycheck Protection Program (PPP).



## To Sit or Not to Sit

The complaint filed with the Ethics Board alleged an improper conflict of interest between a public servant's City job and their membership on the board of an outside entity. The investigation revealed that the entity had an agreement with the public servant's agency, though the public servant's City duties did not have anything to do with that agreement.

The Ethics Board made a preliminary determination that the public servant's membership on the entity's board was a prima facie violation of the Ethics Law's relevant conflict of interest provision, which prohibits a public servant from being employed by—including serving on the board of—an entity that has a contract with their agency. The Board determined that, under the circumstances, the agreement between the entity and the public servant's agency counted as a contract.

Because the public servant was no longer on the entity's board at the time of the Ethics Board's decision, the Board determined there was no further action to take and dismissed the complaint after providing the public servant with guidance.

# CONTACT US



Office of the Inspector General  
Room 635, City Hall  
100 N Holliday Street  
Baltimore, MD 21202



443-984-3476  
1-800-417-0430



[oig@baltimorecity.gov](mailto:oig@baltimorecity.gov)



[oig.baltimorecity.gov](http://oig.baltimorecity.gov)



[@baltcityoig](https://www.facebook.com/baltcityoig)



[@oig\\_baltimore](https://twitter.com/oig_baltimore)



Baltimore City  
Office of the  
Inspector General

